



STATE OF NORTH DAKOTA  
**OFFICE OF STATE TAX COMMISSIONER**  
Cory Fong, Commissioner

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**NORTH DAKOTA SALES TAX INFORMATION BULLETIN**

**To:** Sales & Use Tax Permit Holders

**Date:** April 26, 2006

**Reduction in Fargo City Sales & Use Tax**

Effective July 1, 2006, the City of Fargo will reduce its city sales and use tax rate by one-half percent ( $\frac{1}{2}\%$ ). This means effective July 1, 2006, the City of Fargo will impose a one percent (1%) city sales and use tax rate in place of the current one and one-half percent ( $1\frac{1}{2}\%$ ) sales and use tax rate.

Retailers must collect the city sales and use tax on all taxable sales occurring in the city of Fargo without regard to the local tax cap previously provided by the city ordinance. With the reduction in Fargo city sales and use tax on July 1, 2006, the local tax cap is also reduced from \$37.50 per purchase to \$25.00 per purchase. Any person who pays local tax in excess of a local tax cap will continue to be eligible for refund from the State Tax Commissioner for the difference between the amount of city sales and use taxes paid and the amount that would have been due by application of the local tax cap.

**Claim for Refund of City or County Sales Tax**

The *Claim for Refund of City or County Sales and Use Tax Transmittal* previously provided instructions to purchasers of tangible personal property and taxable service that original invoices must accompany this refund claim in order to receive a refund of city or county sales and use tax paid in excess of the local tax cap. This requirement has been changed to allow purchasers to submit copies of their invoices in place of original invoices.

If copies are provided with the refund claim, they will not be returned to the purchaser unless specifically requested in writing at the time the refund claim is submitted. We will continue to process refund claims immediately upon receipt of the claim. The original invoices should be maintained by the purchaser for a period of three years from the date of purchase.

We are enclosing a copy of the *Claim for Refund of City or County Sales and Use Tax Transmittal* form reflecting the acceptance of invoice copies. The form is also available from the Tax Department's Web site at [www.nd.gov/tax](http://www.nd.gov/tax), click on **Sales and Use**, then click on **Forms**.

Should you have questions regarding the information provided, please contact the Sales & Withholding Tax Section at 701-328-3470 or e-mail at [salestax@state.nd.us](mailto:salestax@state.nd.us).